

CIGARETTE OUTLETS (DRIVE-THRU LOCATIONS)

Level 1 Retail Partners

Merchandising/Presence Participation

- Retailer agrees to maintain:
 - Specified high impact exterior signage as determined by RJR Representative.
 - Specifications to include type of signage, placement and term of placement.
- Retailer further agrees to:
 - Provide RJR accurate volume information – authorize primary and other suppliers to release brand style volume information to RJR.
 - Ensure adequate quantity of RJR brands are maintained to minimize out of stocks, including brands designated for display.
 - Accept new RJR brand styles as requested by RJR Representative.
 - Any changes in agreed location of signage component(s) without RJR Representative's approval will result in termination of this agreement.
 - Provide RJR opportunity to display, promote or distribute RJR brands equal to all competing tobacco companies.
- RJR reserves the right for final approval of display/advertising sizes and locations.

Pay for Performance

Retailer earns payment based on performance of requirements and RJR volume. Furthermore, participation in the Merchandising/Presence program enables the Retailer to participate in the following RJR volume building programs.



Retailer Accrual

- Meet all requirements specified for Merchandising/Presence Level 2.
- Retailer is eligible to participate at Retail Accrual Level 1, 2 or 3 (Base or Match option) based upon status of EDLP.
- All Accrual Funds (Base/Match) to be utilized toward RJR/Retailer delivered promotions, as approved by RJR.
- Rate of Accrual determined by RJR volume.



Workplan Promotions

- Retailer is eligible to receive national workplan promotions.
- # of SKU's determined by Field input.



Price Support

- Retailer is eligible to receive Price Gap and Ceiling Strategy support based upon retail conditions.
- Retailer will not be RJR price disadvantaged due to competitive actions.



Forsyth Accrual

If appropriate, Retailer is eligible to receive Forsyth Accrual.

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MERCHANDISING PRESENCE - LEVEL 1

Volume Range	141-177	178-221	222-279	280-345	346-432	433-540	541-678	679-845	846-1056	1057+
M TYPE: CIG OUTLET			(Self-Service)							
E Level 1 Plan	L1A	L1B	L1C	L1D	L1E	L1F	L1G	L1H	L1I	L1J
R Payment	102	130	163	203	236	250	250	250	250	250
C TYPE: MPTD										
H Plan: MC										
Payment: Variable (-\$)										

RETAIL ACCRUAL

Volume Range	141-177	178-221	222-279	280-345	346-432	433-540	541-678	677-845	846-1056	1057+
TYPE: CO ACCRUAL			(Retail Accrual Base Contract)							
Level 1 Plan	L1A	L1B	L1C	L1D	L1E	L1F	L1G	L1H	L1I	L1J
Payment	70	86	105	136	156	212	254	330	412	514
Level 2 Plan	L2A	L2B	L2C	L2D	L2E	L2F	L2G	L2H	L2I	L2J
Payment	136	174	218	272	238	422	528	660	824	1030
Level 3 Plan	L3A	L3B	L3C	L3D	L3E	L3F	L3G	L3H	L3I	L3J
A Payment	172	216	272	338	424	528	680	824	1030	1286
C TYPE: CO AC MATCH			(Retail Accrual R/R/Retailer Match Contract)							
C Volume Range	141-177	178-221	222-279	280-345	346-432	433-540	541-678	677-845	846-1056	1057+
R Level 1 Plan	L1A	L1B	L1C	L1D	L1E	L1F	L1G	L1H	L1I	L1J
U Payment	105	129	162	204	252	318	396	495	616	771
A Retail Match	35	43	54	68	84	106	132	165	206	257
L Level 2 Plan	L2A	L2B	L2C	L2D	L2E	L2F	L2G	L2H	L2I	L2J
Payment	207	261	327	408	507	633	792	990	1236	1545
Retail Match	64	87	109	136	169	211	264	330	412	515
Level 3 Plan	L3A	L3B	L3C	L3D	L3E	L3F	L3G	L3H	L3I	L3J
Payment	259	324	408	507	633	792	990	1236	1545	1929
Retail Match	86	108	136	169	211	264	330	412	516	643
TYPE: RATO			(RDA to Retail Accrual Trade-Off)							
Plan: MC										
Payment: Variable (+\$)										

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SELF-SERVICE CIGARETTE OUTLET

Level 2 Retail Partners

Level 2 Participation

- **Retailer agrees to maintain:**
 - RJR Full Price promotional capability in Primary Position.
 - RJR Savings brand promotional capability in Primary Savings brand position.
 - Parity representation for displays at register (Selling Area) for Full Price and Savings brands.
 - "Feature" Self-Service Savings Center in a Primary Savings brand position.
 - Self-Service Savings Center for other Savings brands, if applicable.
 - Full Price carton merchandiser for RJR Full Price cartons.
 - Indoor and outdoor "High Impact" signage.
- **Retailer further agrees to:**
 - Provide promotional assistance as requested by RJR.
 - Provide RJR accurate volume information -- authorize primary and other suppliers to release brand style volume information to RJR.
 - Provide RJR share of signage equal to RJR Share of Market.
 - Ensure RJR brands are represented in all price tiers, as required.
 - Ensure adequate quantity of RJR brands are maintained to minimize out of stocks, including brands designated for display.
 - Accept new RJR brand styles as requested by RJR Representative.
 - Provide RJR opportunity to display, promote or distribute RJR brands equal to all competing tobacco companies.
- **RJR reserves the right for final approval of display/advertising sizes and locations.**

Pay for Performance

Retailer earns payment based on performance of requirements and RJR volume. Furthermore, participation in the Merchandising/Presence program enables the Retailer to participate in the following RJR volume building programs.

Retailer Accrual

- Meet all requirements specified for Merchandising/Presence Level 2.
- Retailer is eligible to participate at Retail Accrual Level 1, 2 or 3 (Base or Match option) based upon status of EDLP.
- All Accrual Funds (Base/Match) to be utilized toward RJR/Retailer delivered promotions, as approved by RJR.
- Rate of Accrual determined by RJR volume.



National Workplan Promotions

- Retailer is eligible to receive national workplan promotions.
- # of SKU's determined by Field input.



Price Support

- Retailer is eligible to receive Price Gap and Ceiling Strategy support based upon retail conditions.
- Retailer will not be RJR price disadvantaged due to competitive actions.



Forsyth Accrual

If appropriate, Retailer is eligible to receive Forsyth Accrual.

MERCHANDISING PRESENCE - LEVEL 2

	Volume Range	141-177	178-221	222-279	280-345	346-432	433-540	541-675	677-845	846-1056	1057+
M	TYPE: CIG OUTLETS	(Self-Serviced)									
E	Level 2 Plan	L2A	L2B	L2C	L2D	L2E	L2F	L2G	L2H	L2I	L2J
R	Payment	310	371	455	541	606	695	792	890	947	1000
C	TYPE: MPTD										
H	Plan: MC										
	Payment: Variable (-\$)										

RETAIL ACCRUAL

	Volume Range	141-177	178-221	222-279	280-345	346-432	433-540	541-675	677-845	846-1056	1057+
	TYPE: CO ACCRUAL	(Retail Accrual Base Contract)									
L	Level 1 Plan	L1A	L1B	L1C	L1D	L1E	L1F	L1G	L1H	L1I	L1J
	Payment	70	86	109	136	169	212	264	330	412	514
L	Level 2 Plan	L2A	L2B	L2C	L2D	L2E	L2F	L2G	L2H	L2I	L2J
	Payment	128	174	218	272	328	422	528	660	824	1030
A	Level 3 Plan	L3A	L3B	L3C	L3D	L3E	L3F	L3G	L3H	L3I	L3J
C	Payment	122	216	279	338	421	528	659	824	1030	1286
C	TYPE: CO AC MATCH	(Retail Accrual/RDR/Retailer Match Contract)									
R	Volume Range	141-177	178-221	222-279	280-345	346-432	433-540	541-675	677-845	846-1056	1057+
U	Level 1 Plan	L1A	L1B	L1C	L1D	L1E	L1F	L1G	L1H	L1I	L1J
A	Payment	105	129	162	204	252	318	396	495	616	771
L	Retail Match	35	43	54	68	84	106	132	165	204	257
L	Level 2 Plan	L2A	L2B	L2C	L2D	L2E	L2F	L2G	L2H	L2I	L2J
	Payment	207	261	327	408	537	633	792	990	1235	1545
	Retail Match	69	87	109	136	169	211	284	330	412	515
L	Level 3 Plan	L3A	L3B	L3C	L3D	L3E	L3F	L3G	L3H	L3I	L3J
	Payment	250	324	405	507	624	792	990	1236	1545	1929
	Retail Match	46	108	136	169	211	264	330	412	515	643
	TYPE: RATD	(RDA to Retail Accrual Trade-Off)									
	Plan: MC										
	Payment: Variable (+\$)										

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